

## CHAPTER 506

(House Bill 1512)

## AN ACT concerning

## Corporations - Distribution of Assets

FOR the purpose of providing for the powers of directors and the distribution of the assets of a corporation on forfeiture of its charter; establishing certain procedures and presumptions for the proof of stockholders' interests and the distribution of assets; and generally relating to corporations the charters of which have been forfeited.

## BY adding to

Article - Corporations and Associations  
Section 3-516, 3-517, 3-518 and 3-519  
Annotated Code of Maryland  
(As enacted by Chapter \_\_\_\_\_ (S.B. 330) of the Acts  
of the 1975 General Assembly)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That new Sections 3-516, 3-517, 3-518 and 3-519 be and they are hereby added to Article - Corporations and Associations, of the Annotated Code of Maryland (As enacted by Chapter \_\_\_\_\_ (S.B. 330) of the Acts of the 1975 General Assembly) to read as follows:

## Article - Corporations and Associations

## 3-516. POWERS OF DIRECTORS ON FORFEITURE.

## (A) DIRECTORS BECOME TRUSTEES.

WHEN THE CHARTER OF A MARYLAND CORPORATION HAS BEEN FORFEITED, UNTIL A COURT APPOINTS A RECEIVER, THE DIRECTORS OF THE CORPORATION BECOME THE TRUSTEES OF ITS ASSETS FOR PURPOSES OF LIQUIDATION.

## (B) GENERAL POWERS.

THE DIRECTOR-TRUSTEES ARE VESTED IN THEIR CAPACITY AS TRUSTEES WITH FULL TITLE TO ALL THE ~~[[ASSETS]]~~ ASSETS OF THE CORPORATION. THEY SHALL:

(1) COLLECT AND DISTRIBUTE THE ASSETS, APPLYING THEM TO THE PAYMENT, SATISFACTION, AND DISCHARGE OF EXISTING DEBTS AND OBLIGATIONS OF THE CORPORATION,